

Government Support & Finance

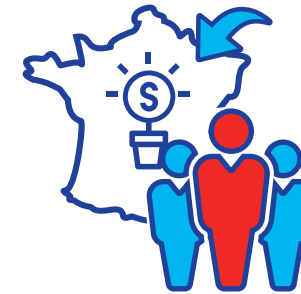


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The basics

-  **#1** Business France: the agency serving foreign investors in France
-  **#2** An ambitious reform program
-  **#3** Supporting your project in France
-  **#4** Government funding programs at a glance
-  **#5** Who should I contact depending on my project status?
-  **#6** Raising finance on the Paris financial marketplace
-  **#7** Key stakeholders



The “Doing Business in France” practical guides are intended to inform you about all the legal, tax and social aspects of your investment and your subsidiary’s operations in France.

They provide you with clear, reliable and detailed information to ensure the success of high-potential projects.



#1 BUSINESS FRANCE: THE AGENCY SERVING FOREIGN INVESTORS IN FRANCE

Exporting, investing and expanding abroad

Simplify and fast-track project delivery

Business France provides you with made-to-measure, confidential support to succeed with your investments in France, whatever projects they involve:

- Discover France's key advantages
- Plan a new investment
- Boost your presence at existing sites
- Find industrial or technological partners
- Evaluate acquisition opportunities or financial investments

Connect - Fast-track - Succeed

At every stage of the project, Business France personnel work with their network of public, private, national and regional partners to facilitate and accelerate project delivery.

Their aim:
For investment projects to succeed.

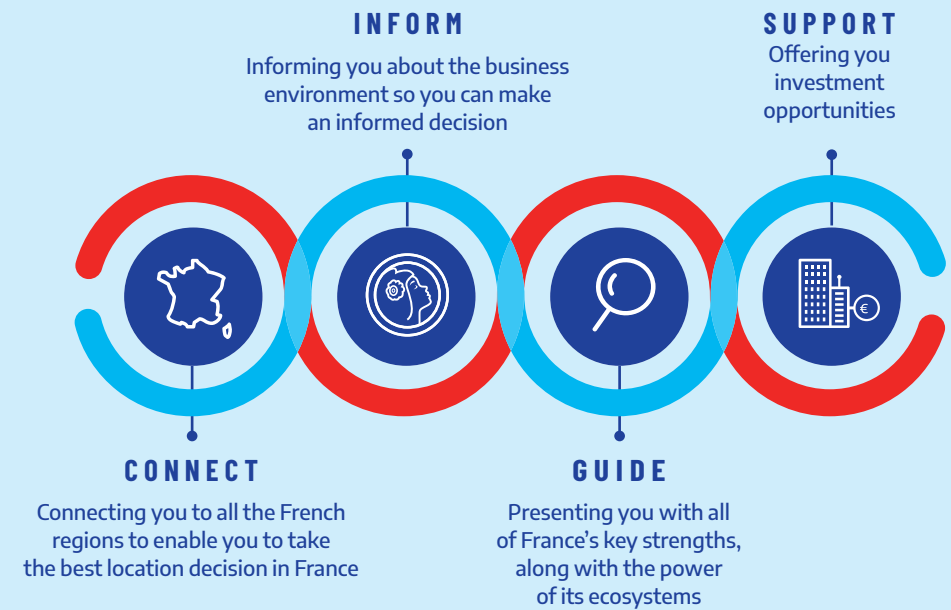
Their motivation:
The satisfaction of investors who chose France for their international investment strategy.

To realize your investments in France:
businessfrance.fr

To facilitate the installation of talent in France:
welcometofrance.com

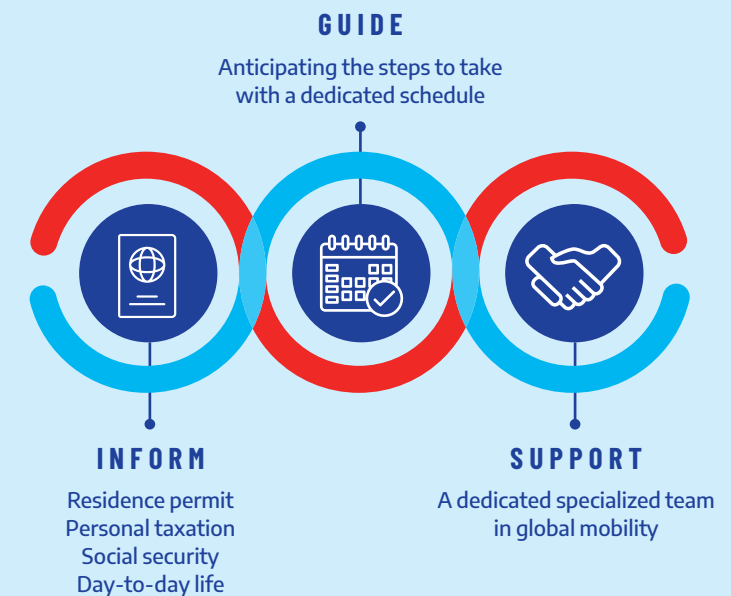
YOUR INVESTMENTS IN FRANCE

businessfrance.com



TALENT MOBILITY IN FRANCE

welcometofrance.com



CHOOSE FRANCE !

The investment attractiveness summit



At Choose France!, a summit focusing on France's attractiveness to business, **150 heads of multinationals from various sectors** committed to investment projects in France. The event was held in Versailles on January 21, 2019 and was attended by the French President.

The summit was an opportunity to showcase France's attractiveness, while underlining the deep economic transformation being undertaken to support investment and business growth.



#2 AN AMBITIOUS REFORM PROGRAM



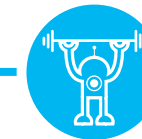
Transforming France's social model

Offering businesses greater flexibility and building a highly skilled society through training, guidance, professional integration and support for talents in industry.



Encouraging investments

A new tax environment to encourage investment and employment.



Supporting industries of the future

A Major Investment Plan to invest in tomorrow's technologies.



Promoting growth and innovation

An action plan for growth and the transformation of business, enabling firms to innovate, evolve, grow and create jobs.

An ambitious transformation of regulations and government processes, for greater simplicity and acknowledgement of the right to make errors.



#3 SUPPORTING YOUR PROJECT IN FRANCE

Identify

Is my project eligible for a funding program?

Before you begin, determine whether your project is eligible for public funding.

Business France and its partners will help you perform an initial assessment of your project and inform you about the funding programs in place.

Secure

How do I identify the most suitable funding program?

Based on an assessment of your project (type, costs, impacts, business sector, etc.), Business France works in conjunction with national bodies and local partners to help you determine the government funding available to you (type, intensity, maximum amount, etc.) according to your project's state of progress.

What criteria will my project have to meet?

Depending on the size of your business, as well as the purpose and location of your project, Business France and its partners set out

the various eligibility criteria and thresholds applicable, as well as the timetables and practicalities of the application processes you must complete, so as to increase your chances of success.

Connect

How do I apply?

Applications must be accompanied by supporting arguments that will convince the bodies processing them. Business France will help you produce quality content.

Which institutions are involved?

Meeting the right contacts.

Business France and its partners facilitate and coordinate interaction with the French public-sector bodies responsible for supporting the projects of investors: ministries, local authorities, government agencies, etc.

What if my project doesn't meet the criteria for a particular aid scheme?

Business France will look for other support mechanisms for which your project may be eligible and identify ways in which this process could be simplified.

HELPING YOU MAKE A SUCCESS OF YOUR PROJECT

YOUR ACTIONS

Presenting your project to Business France
Expressing your needs and expectations

Forwarding a detailed business plan

Meeting financial backers
Presenting your project

Clarifying your project
Making a formal request

Filing your request
Exchanging with the appraising body

Signing an aid agreement
Justifying investments and jobs created

OUR SUPPORT

Analyzing your project
- Targeting aid
- Informing you of the terms and conditions

Selecting tools
- Ensuring the pre-eligibility of your project with financial backers
- Establishing a list of eligible expenditure

Putting you in touch with financial backers
- Connecting you with the right contact people
- Supporting you during the presentation of your project

Approving the eligibility of your project, thresholds and eligible expenditure to be respected

Processing your dossier
Examining the business plan, the leveraging of aid, and the economic impact

Assigning aid and paying out funds according to the agreed procedures

● Business France and its regional partners

● Public financial backers



#4 GOVERNMENT FUNDING PROGRAMS AT A GLANCE

Before you begin

Government support programs are covered by the EU regulations uniformly applicable to all European Union countries. The aim of these regulations is to prevent unfair competition between companies by allocating funds to certain economic players to the detriment of their competitors.

The French transposition of these regulations paves the way for government support that is compatible with the EU's regulatory framework, thus ensuring that investors operate within the law. Its purpose is also to direct France's public resources towards measures that boost economic growth in the regions and the competitiveness of businesses, while protecting the integrity of the domestic market.

The maximum funding set by EU regulations depends on the purpose of the project, the size of the company and the part of the country in which the investor is located.

Adhering to the incentivization principle

Any funding provided by a public-sector body must serve to facilitate a company's business activities or investment programs. Applications must be submitted prior to the investment being made and the project commencing (i.e. before any legally binding commitment is made by the company, such as the signature of a purchase order, a lease, a promise of sale, etc.).

The beneficiary must submit an application for funding containing the following information at the very least:

- The name and size of the company.
- A description of the project, its duration and its location.
- A list of the project's costs.
- The type of funding requested and the amount.

Choosing the right path depending on the purpose of your project

Government funding programs

The government funding programs in place are broken down according to the purpose of projects (productive investment, research, development, innovation, training, etc.).

- Investing and expanding your business in France.
- Taking over a struggling business in France.
- Supporting your R&D programs and innovative projects.
- Recruiting and training your employees.
- Investing to protect the environment.
- Expanding your startup.

The location (priority development area or otherwise) of the investment and the size

of the company (large company, mid-size company or SME) must also be considered in identifying the government support available.

Check the size of the funding's beneficiary

Check the size of the funding's beneficiary at group level by consolidating the workforce and results of the companies legally belonging to the group.

Please refer to the [SME guide](#) published by the European Commission.

I have a project!




Consult the list of government funding available to businesses [in French only].

This is the definitive database of business funding and support programs. Applicants can search by municipality, according to the nature of their project and their profile.

WHAT SIZE IS MY COMPANY?

WORKFORCE (PEOPLE)

REVENUE

>250	 LARGE COMPANY	50 million € or total annual balance sheet assets < 43 million €
<250	 SMALL AND MEDIUM-SIZED COMPANY	50 million € or total annual balance sheet assets < 43 million €
<50	 MICRO-ENTERPRISE	Turnover/Total annual balance sheet assets < 10 million €

WHAT FORMS OF GOVERNMENT FUNDING COULD MY PROJECT BE ELIGIBLE FOR?

You become eligible for a whole set of public funding programs in France from the moment you open a legal entity in France and hold a bank account.

Subvention

What is it?

Non-repayable funding that is dependent on the sum invested and the number of jobs created.

Which institutions are involved?

- French Commission for Regional Equality CGET (PAT development grant)
- French Environment and Energy Management Agency (ADEME)
- Local authorities (contribution to the PAT, real estate funding)

Tax exemption

What is it?

Tax reductions for business creation and in certain cases where a struggling company is taken over.

Which institutions are involved?

- Ministry for the Economy (corporate tax)
- Local authorities (local taxes, subject to local deliberation)

Repayable advance / Honor loan / Zero-interest loan

What is it?

Cash injection making it easier for a company to obtain a bank loan. Does not require a guarantee.

In some cases, the repayable advance becomes a subsidy.

Which institutions are involved?

- Businesses Directorate DGE (ARI – business development loan)
- Bpifrance
- Local authorities

Tax credit

What is it?

Tax reduction giving rise to a rebate in the event of a loss.

Which institutions are involved?

- Ministry for the Economy
- Ministry for Research
- Ministry for Labor

Low-interest loans

What is it?

Cash injection.

Which institutions are involved?

- Bpifrance (Eco-Energy Loan)

Co-financing and guarantees

What is it?

Guarantees to banks to generate leverage.

Which institutions are involved?

- Bpifrance

Capital injection

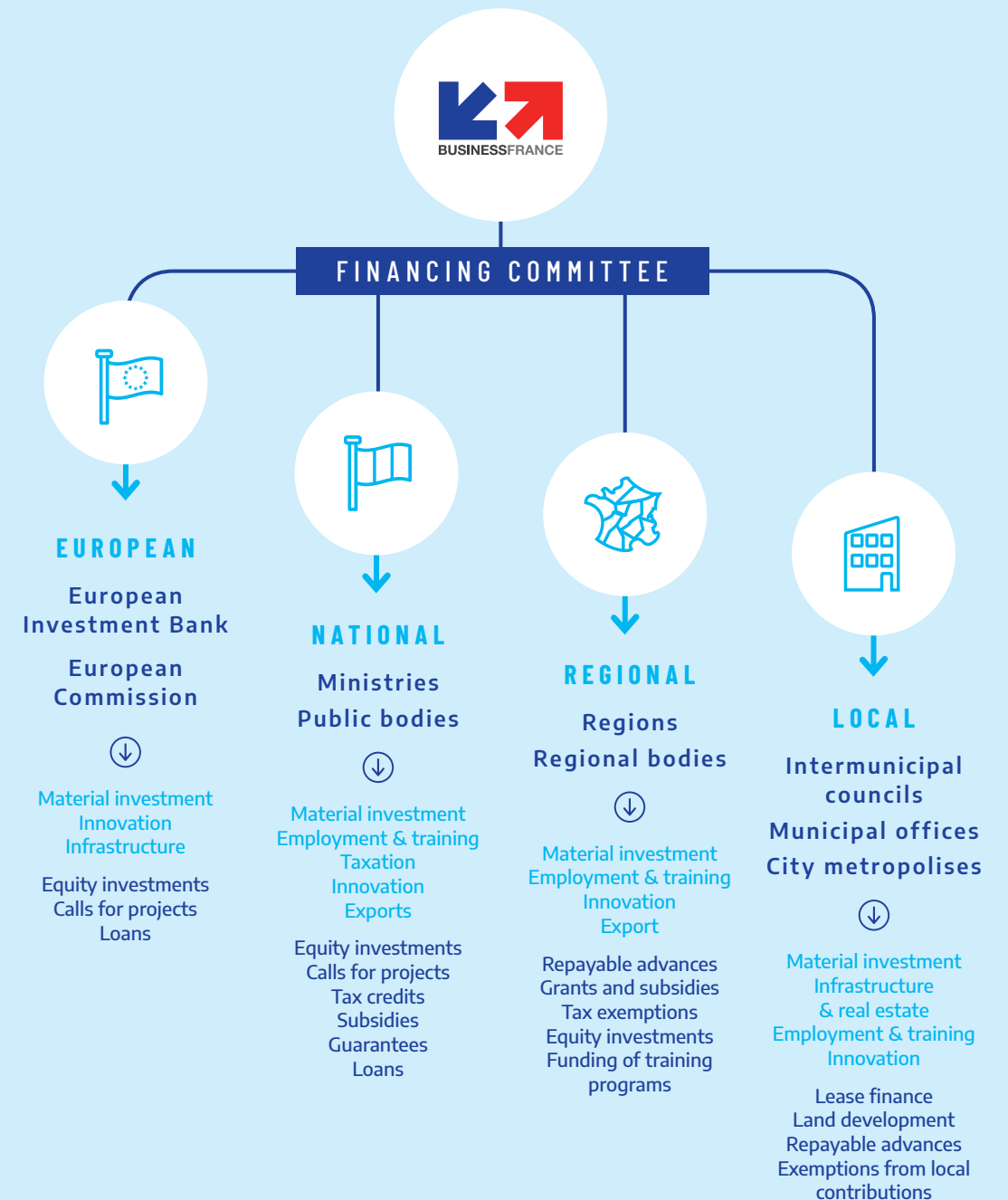
What is it?

Investment in equity.

Which institutions are involved?

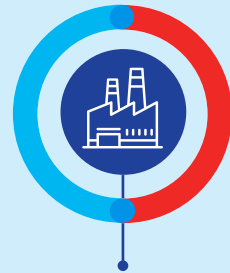
- French State Investment Fund (CDC)
- Venture capital firms of local authorities
- Bpifrance (SPI fund)

COORDINATING DIFFERENT LEVELS OF AID





#5 WHO SHOULD I CONTACT DEPENDING ON MY PROJECT STATUS?



MATERIAL INVESTMENT

CGET (Commission for Regional Equality)
DGE (Businesses Directorate)
Regional authorities



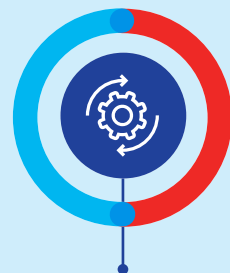
FINANCING / CAPITAL INJECTION

French State Investment Fund (CDC)
European Investment Bank
Bpifrance
Regional funds



RECRUITMENT & TRAINING

National Employment Office
Regional authorities
OPCOs (professional development joint collection agencies)



INNOVATE

National Research Agency
French Environment and Energy Management Agency (ADEME)
Bpifrance
General Secretariat for Investment (SGPI)



RESPOND TO AN INVITATION TO TENDER

General Secretariat for Investment (SGPI)
National Research Agency
Bpifrance
French Environment and Energy Management Agency (ADEME)



EXPORTS

Bpifrance
Business France
Regional authorities



#6 RAISING FINANCE ON THE PARIS FINANCIAL MARKETPLACE

With more than 500 financial players, Paris is Europe's leading host of foreign banks and financial institutions.

French banks are among the highest ranked in Europe and the world, with four French banks among the top 20 global players.

Sixty percent of the finance pumped into the economy is provided by banks. Business loans total €978 billion (Banque de France, April 2018).

The vast majority of SMEs are able to access bank finance. Ninety-six percent of SMEs have successfully applied for investment loans. The projects launched by SMEs benefit from favorable interest rates (1.75%, compared with a eurozone average of 2.11%).

French banks offer a wide range of tailored products and solutions that cater for your needs when setting up or expanding operations in France (investments, cash flow, innovation, international flows, etc.).



Opening a bank account

What is the procedure for opening a bank account?

From the moment your company is registered, you can open a business account. Once this is done, you will obtain an RIB (statement of account information), which will facilitate many of your administrative formalities. To open an account, you will need to provide a valid identity document for the legal representative, a company registration certificate dated less than three months prior to the application, your company's articles of association (incorporation), its SIRET registration number and its NAF code.

What if your application is rejected?

If a bank rejects your application, you can call upon the Banque de France. The latter will designate a bank responsible for opening an account for you.

entreprises.banque-france.fr

Source: French Banking Federation, fbf.fr

Paris-Euronext

Expand your business in the heart of the eurozone's largest financial center

Paris-Euronext has the highest equity market capitalization of any European stock exchange with €3.6 trillion (compared with €1.85 trillion for Deutsche Börse) and is also the leading bond market in Europe for non-financial companies with US\$606 billion, ahead of London.

France is at the heart of the European asset management market and has the eurozone's highest concentration of players in the sector. More than 600 specialist companies are established in Paris, and four French companies are among the world's top 20 asset management firms. Funds under management in France total €3.6 trillion (compared with €2.1 trillion in Germany).

Thanks to its entrepreneurial dynamism and an environment conducive to innovation, France has become a choice destination for venture capital. Total funds raised amount to €9.5 billion, compared with €6 billion in Germany.

This performance makes France the eurozone's top financial market for venture capital.

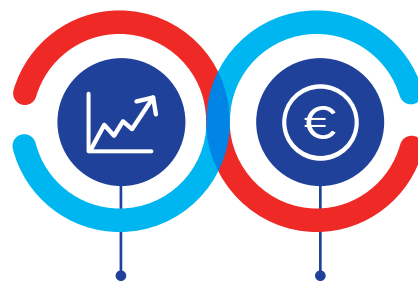
Bpifrance

Bpifrance works alongside private financial backers to offer priority support to SMEs and mid-size companies, but also to startups and large firms established in France.

From launch to stock market flotation, from loans to equity investments, Bpifrance offers financing solutions tailored to every stage of your company's development.

Thanks to its large range of guarantee, loan and lease finance products, Bpifrance provided €14.4 billion in credit and support for businesses in 2017.

- €7.2 billion of investment loans
- €5.9 billion of short-term financing
- €1.3 billion of innovation financing



#1 Stock market

Paris is the EU's leading stock market. France is home to 31 of the world's top 500 companies (Fortune Global 500)

#1 Asset management

Paris tops Europe when it comes to collective asset management (AFG, 2016)

PARIS, EUROPE'S NEW FINANCIAL CENTER



EUROPE'S MOST LIQUID MARKET

Narrowest spreads, biggest velocity and lowest volatility
A liquid government securities market (**€1,500 billion**)



AN OPEN MARKET

45 % of the equity of companies listed on the CAC 40 is owned by foreign investors



1ST IN CONTINENTAL EUROPE

For forex and interest rate derivatives, well ahead of Frankfurt, and **3rd in the world** for international bonds (49% market share)
For equity capital raising track record over the past three years



CONTINENTAL EUROPE'S LARGEST COMMUNITY OF LISTED TECH ISSUERS

More than 330 listed Tech SMEs, spanning the digital, cleantech and life sciences sectors



#7 KEY STAKEHOLDERS



MINISTRY FOR REGIONAL COHESION

The CGET (French Commission for Regional Equality) manages PAT development grants, which are subsidies to attract internationally mobile industrial and service projects



MINISTRY RESPONSIBLE FOR THE ECONOMY

The Businesses Directorate (DGE) grants the business development loan (ARI), a reimbursable advance for competitiveness and the growth of businesses from industry and services



COLLECTIVE BRAND LAUNCHED BY THE GOVERNMENT IN 2014

A collective brand for the ecosystem of startups in France aiming to promote French expertise abroad and attract foreign investors.



PRIME MINISTER'S OFFICE

The General Secretariat for Investment (SGPI) is responsible for overseeing the Major Investment Plan and implementing France's National Investment Program. It intervenes through calls for projects



PUBLIC ESTABLISHMENT

The National Employment Office helps to target profiles and structure your recruitment and training projects through subsidies (AFPR pre-recruitment training program and POEI operational preparation for individual employment), apprenticeship contracts or professionalization contracts



PUBLIC ESTABLISHMENT REPORTING TO THE MINISTRY RESPONSIBLE FOR THE ECOLOGICAL TRANSITION AND THE MINISTRY RESPONSIBLE FOR RESEARCH

The ADEME (French Environment and Energy Management Agency) finances projects in various fields: waste management, soil preservation, energy efficiency and renewable energy, circular economy, etc.



PUBLIC INVESTMENT BANK

Bpifrance supports companies from startups to stock exchange listing, loans to equity capital, accompanying each stage in the life of businesses



PUBLIC AGENCY REPORTING TO THE MINISTRY RESPONSIBLE FOR RESEARCH

The National Research Agency (ANR) intervenes with calls for projects to fund research projects in France



National central bank which intervenes in the financing of the economy, the management of market infrastructures and the issuance of currency. It can be approached to deposit your share capital and to open a bank account.



PUBLIC ESTABLISHMENTS REPORTING TO THE MINISTRY RESPONSIBLE FOR SUSTAINABLE DEVELOPMENT

The water agencies provide subsidies or loans to entities undertaking projects that are in the common interest focusing on the balanced management of water resources and the fights against water-based pollution.



FINANCIAL INSTITUTION OF THE MEMBER STATES OF THE EUROPEAN UNION

The European Investment Bank (EIB) provides finance and expertise to support sustainable investment projects that contribute to achieving the main objectives of the European Union in the form of loans, equity investments and guarantees



STATE AGENCY

The CDC is a long-term investor acting in the common interest and in favor of economic development. It finances the growth and innovation of SMEs and mid-size companies in the form of equity investments and/or loans.

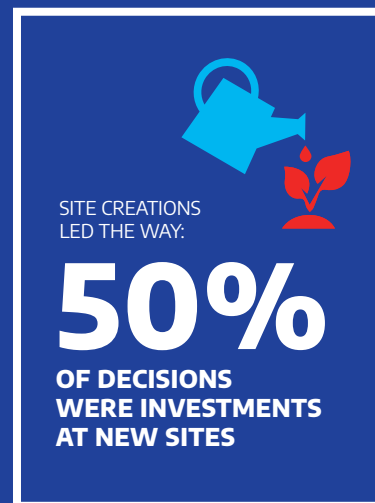
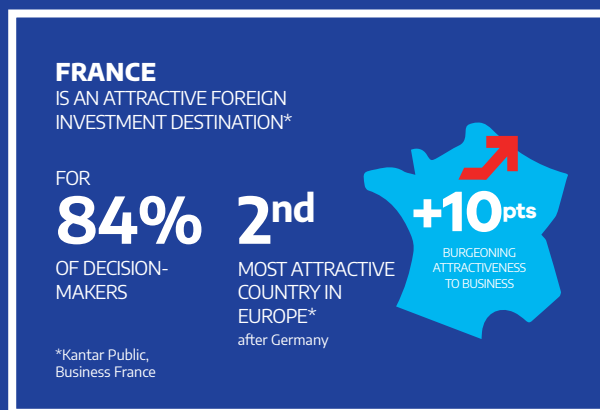
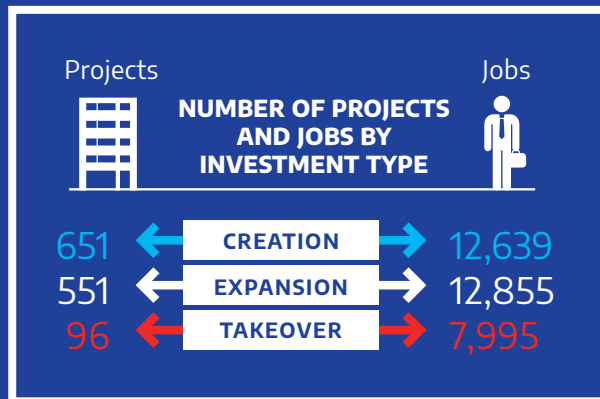
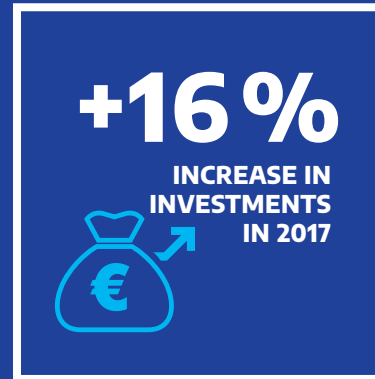
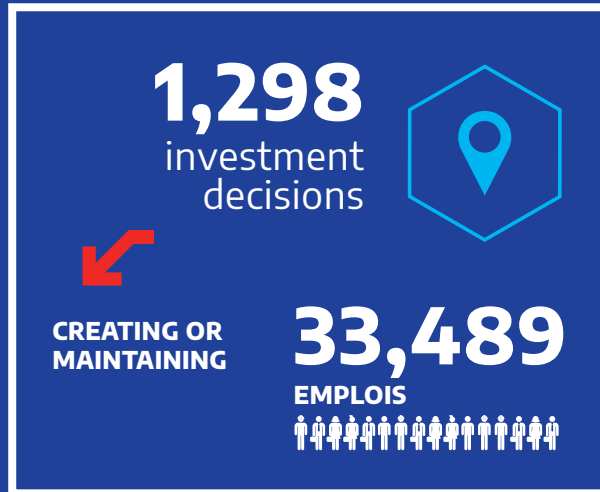


France's regions are responsible for economic development in their region. They intervene in various ways, offering subsidies, repayable advances, tax exemptions, loans and equity investments.

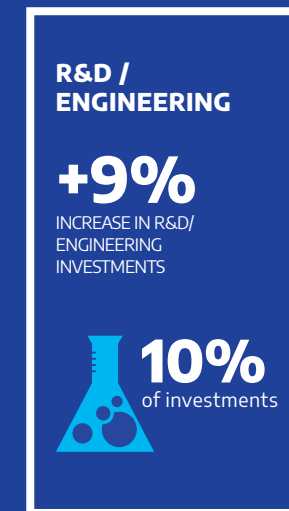
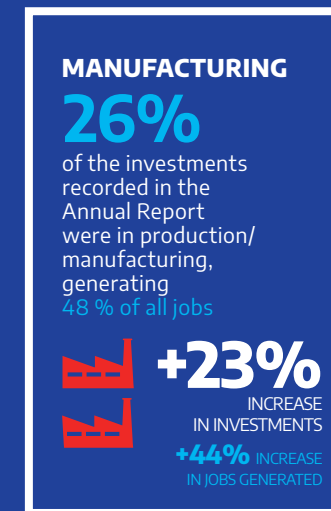
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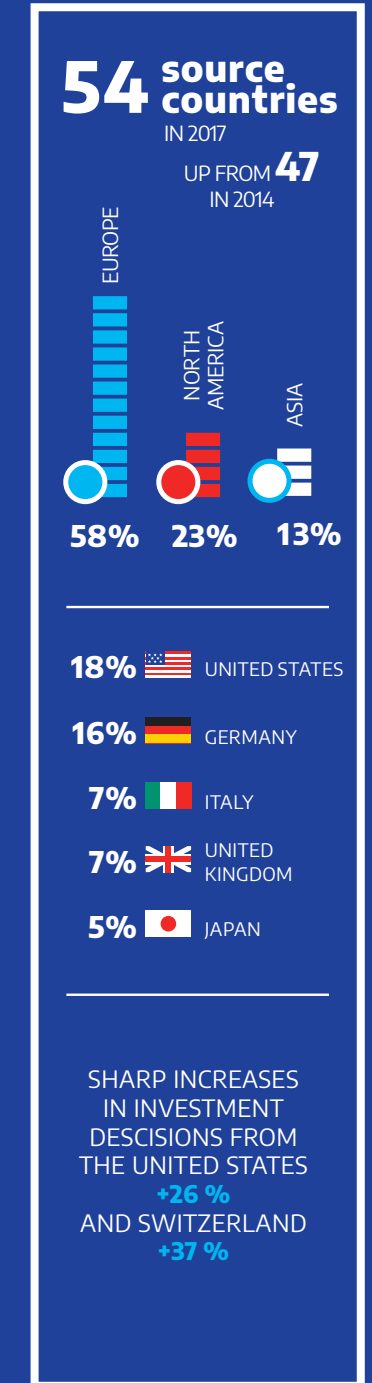
INVEST IN FRANCE








STRATEGIC INVESTMENTS



SOURCE OF INVESTMENT PROJECTS



Support for your investment project

-  #1 Key figures
-  #2 Business France support
-  #3 Support for your investment project from public bodies
-  #4 What are the main types of investment aid?
-  #5 The Major Investment Plan 2018-2022
-  #6 Key stakeholders



To attract job-creating investment projects to France, the French government and local authorities have developed support tools to localize economic activity nationwide (investment support for businesses).

In addition to this state aid support, investors can also take part in the Major Investment Plan (*Grand plan d'investissement – GPI*) launched by the French government to pursue accelerated ecological transition, the building of a knowledge economy, the anchoring of French competitiveness in innovation, and the construction of the State in the digital era.



#1 KEY FIGURES

CONTRIBUTION OF FOREIGN COMPANIES TO THE FRENCH ECONOMY



30%
OF ALL FRENCH EXPORTS



21%
OF THE WORKFORCE in industry



16%
OF THE VALUE ADDED in the French economy



±21%
OF BUSINESS ENTERPRISE R&D is conducted by foreign companies



+45%
OF THE EQUITY of companies listed on the CAC 40 is owned by non-residents



28,000
FOREIGN-OWNED SUBSIDIARIES
Eurostat, 2016



1st
FRANCE IS THE LEADING HOST COUNTRY for foreign investment in industry
EY, 2016



1,298
NEW FDI PROJECTS in 2017
Business France 2017



#2 BUSINESS FRANCE SUPPORT

Helping you make a success of your project

YOUR ACTIONS

Presenting your project to Business France
Expressing your needs and expectations

Forwarding a detailed business plan

Meeting financial backers
Presenting your project

Clarifying your project
Making a formal request

Filing your request
Exchanging with the appraising body

Signing an aid agreement
Justifying investments and jobs created

OUR SUPPORT

Analyzing your project
- Targeting aid
- Informing you of the terms and conditions

Selecting tools
- Ensuring the pre-eligibility of your project with financial backers
- Establishing a list of eligible expenditure

Putting you in touch with financial backers
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- Supporting you during the presentation of your project

Approving the eligibility of your project, thresholds and eligible expenditure to be respected

Processing your dossier
Examining the business plan, the leveraging of aid, and the economic impact

Assigning aid and paying out funds according to the agreed procedures



● Business France and its regional partners

● Public financial backers



#3 SUPPORT FOR YOUR INVESTMENT PROJECT FROM PUBLIC BODIES

Investment aid is primarily available depending on the location of your project, the size of your business and the number of jobs to be created. Large businesses can therefore obtain investment and job creation support for projects located in specific areas, known as regional aid areas (*zones à finalité régionale – AFR*), whereas SMEs are eligible nationwide. Projects may involve several aid schemes up to the ceiling allowed in the investment zone and in accordance with European Union rules on state aid.

How do I find out if the municipality allows for investment aid to be obtained?

Where can I find where regional aid areas are located?

An interactive map is at your disposal at the Observatoire des territoires to identify municipalities (*communes*) where investment

aid may be awarded by a public body, and what the maximum intervention rate would be.

Interactive map: carto.observatoire-des-territoires.gouv.fr

Identify, secure, connect

Based on an evaluation of your project (nature and amount of investment, economic impacts, job creation, calendar for investment), Business France defines with you, in coordination with national players and regional partners, which state aid schemes can be called upon (tools, nature, intensity, ceiling) to support the development of your projects nationwide. Business France helps you secure the different criteria and eligibility thresholds, calendars and arrangements of the application process and puts you in touch with the relevant parties.

REGIONAL AID AREA (AFR)

OUTSIDE AFR

10%		LARGE COMPANY	De minimis 200,000 € over three years
20%		SMALL AND MEDIUM-SIZED COMPANY	10%
30%		MICRO-ENTERPRISE	10%



#4 WHAT ARE THE MAIN TYPES OF INVESTMENT AID?



NATIONAL TOOLS

PAT
Development grant

CGET
French Commission for Regional Equality

Up to €15,000
per job created

or

ARI
Business development loan
not available in 2019

DGE
Businesses Directorate
Repayable advance for SMEs/
mid-size companies
€500,000 / €2 million

Employment and professional development aid

National Employment Office

Companies with industrial projects (SPIs)

Bpifrance
A minority stake in a new company
Ticket €10 million to €160 million

Schemes capped by regional aid area and company size



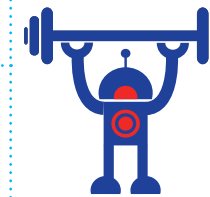
SUPPORT FROM LOCAL AUTHORITIES

Real estate investment
Support for expansions or new projects: purchase of land, construction or expansion of buildings, etc.

Material investment
Aid to finance the acquisition of machines, a new chain of production, an industrial IT system, etc.

Tax exemptions
After deliberation from local authorities

Employment and professional development aid



WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Development grant (*Prime à l'aménagement du territoire – PAT*)

Contact: French Commission for Regional Equality (CGET)

Nature: Subsidy upon job creation in regional aid areas (AFRs)

Budget: €18 million (2018)

Eligibility:

- Micro-enterprises and SMEs for all projects
- Large business: creation and diversification of activities

Sectors: Industry and services

Amount: Max. €15,000 per job created + possible support from the regional government

Thresholds:

Site creation:

€3 million in investment and 20 jobs

Expansion/diversification:

- Either: 20 net jobs, representing at least 50% of the workforce, and €3 million in investment
- Or: 40 net jobs and €3 million in investment
- Or: €10 million in investment

Acquisition of assets:

- Durable and structural reestablishment of the business' competitiveness.
- Recovery of 50 jobs and €3 million invested.

Eligible amount: land, buildings, machinery, equipment, intangible fixed assets, etc., or salary costs over two years

Ceiling: 10% of eligible costs, SMEs 20%, large businesses 10%

Inquiry at the Interministerial Commission for Business Location Aid (CIALA): five sessions with the CGET per year 5 sessions par an

Business development loan (*Aide à la réindustrialisation – ARI*)

not available in 2019

Contact: Businesses Directorate (DGE)

Nature: Reimbursable interest-free advance without royalties or a guarantee, allowing projects representing an intensive investment and with a strong impact on the employment zone affected to be supported.

Eligibility: SMEs and mid-size companies at least three years old in the manufacturing sector

Amount: Maximum of €2 million reimbursable advance

Threshold: €5 million in investment and 25 jobs created

Duration: Reimbursement after five years after a grace period of up to two years

Eligible amount: Buildings, equipment, machinery, engineering, intangible fixed assets

Ceiling: 10% of eligible costs, SMEs 20%, large businesses 10%

Inquiry at the Interministerial Commission for Business Location Aid (CIALA): five sessions with the DGE/CGET per year

Local authority aid

Contact: Local authorities

Nature: Subsidies, investment support, additional PAT financing, real estate investment, training aid, etc.

Eligibility: Businesses from any sector; any size of business

Ceiling: 10% of eligible costs, SMEs 20%, large businesses 10%

Examination By the local authority

SPI funds – *Société de projets industriels (society of industrial projects)*

Contact: Bpifrance

Nature: Minority shareholdings in project companies (new industrial companies)

Goal: To support industrialization projects

Budget: €800 million in the form of equity and quasi-equity investments

Eligibility: Any size of business

Amount: Ticket from €10 million to €160 million

Threshold: Support for manufacturers including a share in case (of at least one-third)

Duration: Five years

Ceiling: Wise minority investment

Examination: Bpifrance

Tax exemptions from corporate property contribution (CFE)

Contact: Tax4Business, local authorities

Nature: Exemption from corporate property contribution (cotisation foncière des entreprises – CFE) in regional aid areas

Eligibility: Businesses from manufacturing sectors; any size of business

Duration: Two to five years

Ceiling: Regional aid (AFR)

Examination: Depending on deliberation of the local authority

Pre-recruitment training – AFPR and POEI

Contact: Pôle emploi

Nature: Financial aid (not reimbursable)

Goal: To reduce the gap between the skills of new recruits and the demands of the jobs targeted

Target: People registered with Pôle Emploi

Eligibility: Any company size from any sector

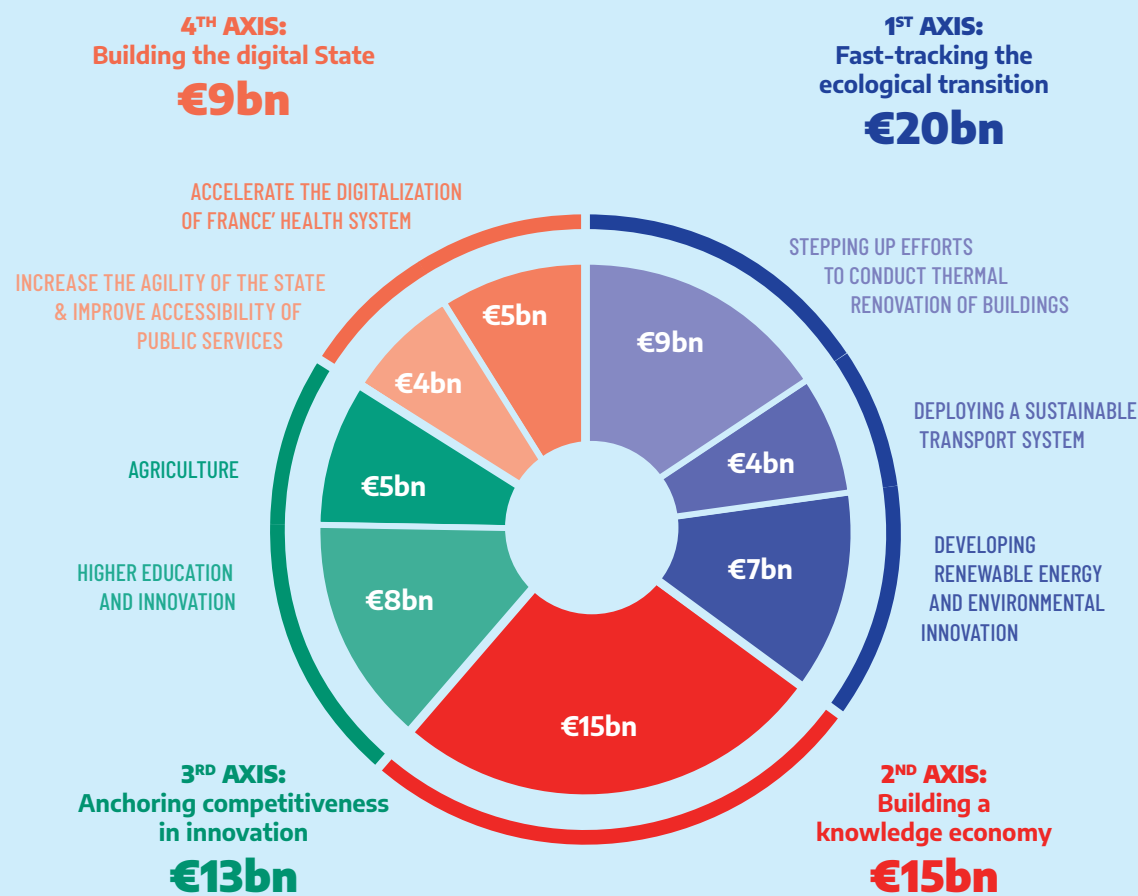
Amount: Maximum aid of €5 net per hour of internal training, up to €2,000. Maximum aid of €8 net per hour of external training, i.e. up to €3,200 for 400 hours of training.

Conditions :

- Fixed-term contract of between six and 12 months
- Fixed-term professionalization contract
- Temporary work contract, if the missions take place for at least six months during the nine months following the training course.

Examination: Pôle Emploi

SUMMARY OF MAJOR INVESTMENT PLAN INVESTMENTS



Source: General Secretariat for Investment (SGPI)



#5 THE MAJOR INVESTMENT PLAN 2018-2022

What does it involve?

The French government has committed itself to a €57 billion Major Investment Plan (*Grand plan d'investissement - GPI*) to support structural reforms over the current five-year term and to respond to the four major challenges facing France: fast-tracking the ecological transition (€20 billion), building a knowledge economy (€15 billion), anchoring competitiveness in innovation (€13 billion) and building the digital economy (€9 billion).

These four priority axes are divided into 25 initiatives.

- The activation or redirection of existing investments to best serve the priorities of the Major Investment Plan (€12 billion).
- New budgetary measures to finance the priorities of the Plan (€24 billion).
- The financing for the third part of the National Investment Program to support progress in teaching and research, harness research, and fast-track the modernization of businesses (€10 billion).

Who?

For each initiative, a minister will be responsible for its implementation and management. The General Secretariat for Investment (*Secrétariat général pour l'investissement - SGPI*) is responsible for coordinating and following up the Major Investment Plan and implementing the National Investment Program (*Programme d'investissements d'avenir*).

What initiatives will be made as part of the GPI?

The Major Investment Plan draws on:

- Financial initiatives, such as loans, equity or guarantee funds (€11 billion), led in particular by the CDC (the French State Investment Fund, *Caisse des dépôts et consignations*).



#6 KEY STAKEHOLDERS

CGET
cget.gouv.fr

DGE
entreprises.gouv.fr/dge

PÔLE EMPLOI
pole-emploi.fr

BPIFRANCE
bpifrance.fr

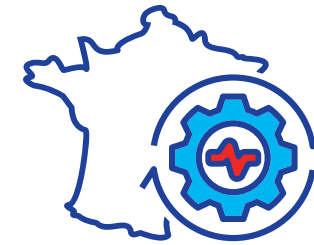
TAX4BUSINESS
impots.gouv.fr

RÉGIONS DE FRANCE
regions-france.org

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Choose France as a venue for takeovers



Taking over a business, either in good health or bad, requires preparation and support from specialist professionals. Taking over a business in bad health may be supported by the public authorities using a variety of state aid measures.

-  #1 Key figures
-  #2 Business France support
-  #3 Investment opportunities
-  #4 Preparing to restart an activity
-  #5 What are the main schemes?
-  #6 Key stakeholders



#1 KEY FIGURES

Business transfers
in France (2016)



60,000
BUSINESSES
on sale



185,000
BUSINESSES
to be sold each year or
750,000 jobs safeguarded



50%
OF BUSINESSES
wound-up due
to there being no buyer



However,

60%
SURVIVAL RATE
OF BUSINESSES
recently sold



**A POSITIVE
CORRELATION**
can be observed between
the dynamism of the rate of
business sales in local areas
and the dynamism of its local
economy



According to a study by the BPCE
Observatory, 80% of business
sales every year in France involve
micro-enterprises employing a total
of 143,000 people.

The 15,000 sales of SMEs and mid-size
companies involved 1.1 million jobs –
including 450,000 working for SMEs.

Sources : Report by Fanny Dombre-Coste, Figures from the BPCE Observatory



#2 BUSINESS FRANCE SUPPORT

Identify – Secure – Connect

✓ Identify

Business France and its partners regularly share information about investment opportunities in France on its website and around its network. From takeovers of ailing businesses, investment in growing businesses (startups, SMEs) or in the French Tech ecosystem (incubator, accelerators, innovation clusters), we can present you with opportunities corresponding to your business sector.

Moreover, there are investment opportunities in terms of acquiring equity stakes in equipment, infrastructure, or key real estate (Grand Paris, airports, etc.).

✓ Secure

Based on an evaluation of your project (targets sought, nature and amount of investment, economic impacts, job creation or job saving, calendar for investment), Business France helps you understand the takeover procedure in strict compliance with the confidentiality of your project.

✓ Connect

Business France and its partners puts you in touch with relevant players to help you identify targets and produce the information you need to take decisions.

KEEPING YOU INFORMED OF INVESTMENT OPPORTUNITIES

↓ VOS ACTIONS

Presenting your takeover project to Business France
Expressing your needs and expectations

Forwarding and signing the confidentiality agreements to access the data room and specifying my takeover offer

Exchanging with the people and financial backers involved in the takeover
- Checking if a takeover authorization is required (*sensitive sectors and business concentrations*)
- Presenting my takeover project

Undertaking due diligence
- Outlining my takeover project
- Asking to receive state aid

Formulating my takeover bid after obtaining authorization if appropriate

Acquiring the business and filing my state aid requests

↓ THE MAIN STAGES

Targeting the investment opportunities
- Analyzing your investment project

Informing yourself on the takeover procedure
- The stages of the takeover
- Eligible state aid

Getting in touch
- With the relevant parties (business to be taken over, administrators, specialist consulting firms)
- With financial backers

Getting information about the economic and social situation of the business being taken over
- Checking the eligibility of state aid requests

Examining the takeover offer by the tribunal or by the business
- Auction sale or transfer

Following up the transfer plan

● Business France ● Takeover players



#3 INVESTMENT OPPORTUNITIES

Insolvency proceedings and taking over ailing businesses: what do they involve?

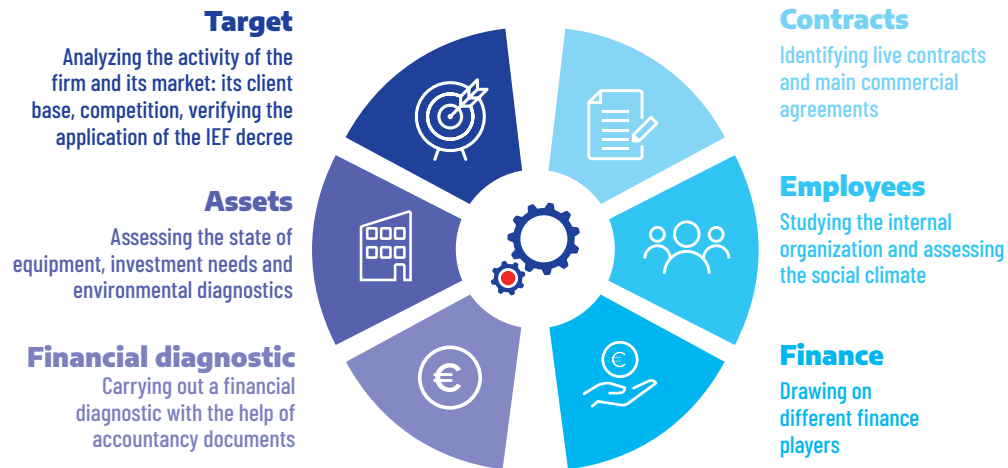
Takeovers of over ailing sites aim to maintain all or part of an activity and jobs, as well as wiping out debts accrued by the targeted company. Investors must be able to carry out a detailed diagnostic of the company to be taken over (due diligence) so as to provide the best assessment of the risks inherent in proceeding with the operation.

As part of the bankruptcy protection procedures, the court decides on external

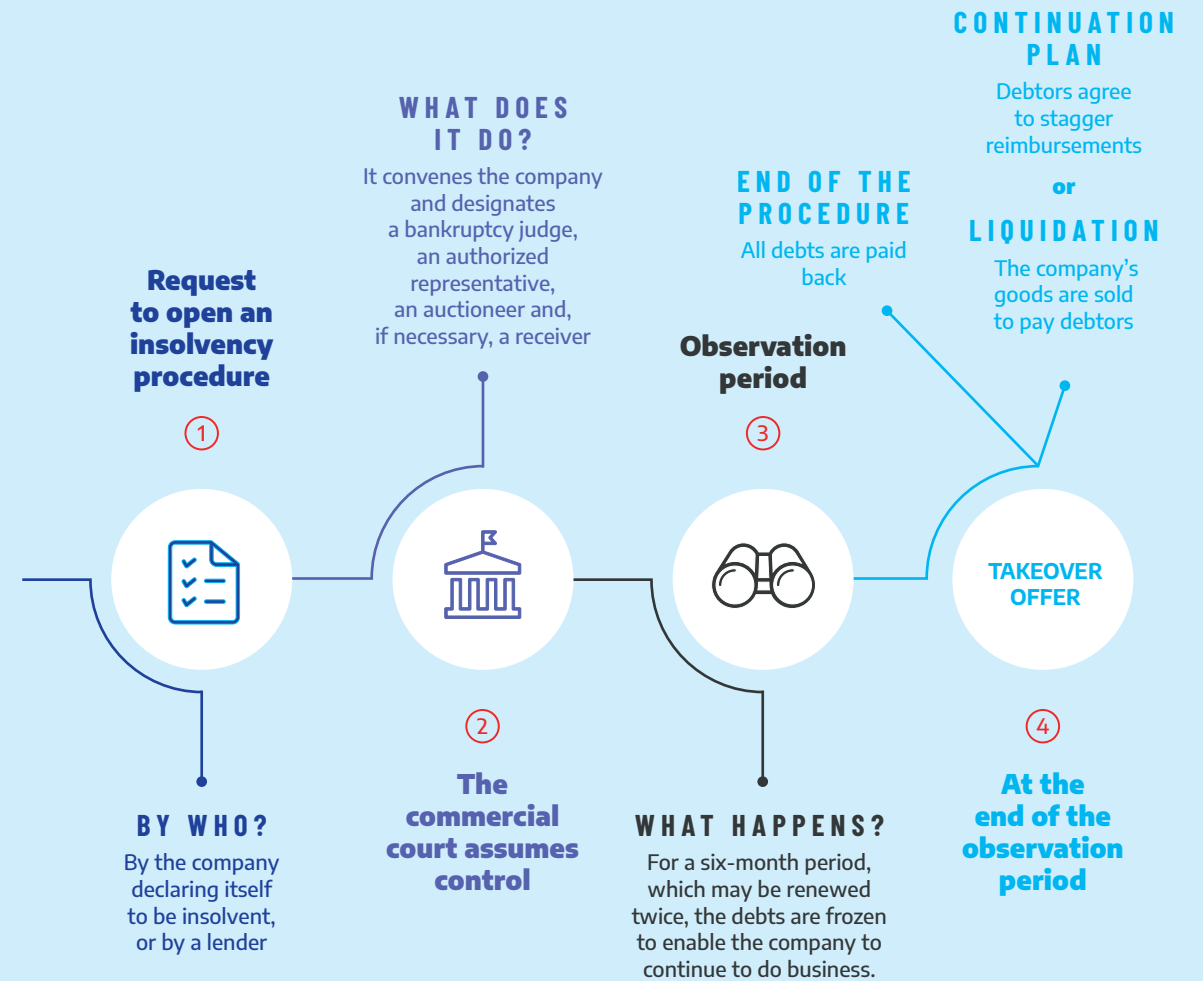
takeover projects coming from third parties who have submitted offers and chooses the offer that best fits the sustainability of the business, continued employment and settlement of liabilities.

The takeover offer made by the buyer must notably include the precise description of goods, rights and contracts included in the offer, forecasts for activity and financing, the price offered, the capacity of capital contributors, the level and prospects for employment justified by the business being considered, the guarantees obtained with a view to going through with the takeover, and the duration of each of these engagements made by those making the takeover.

WHAT IS DUE DILIGENCE?



HOW DO YOU TAKE OVER AN AILING BUSINESS?





#4 PREPARING TO RESTART AN ACTIVITY

Supporting your takeover

What does it involve?

The control of foreign investments in France

Am I affected?

Some takeover operations made in so-called “sensitive” sectors are subject to prior authorization by the government minister responsible for the economy. This authorization is given within a two-month timeframe from when the request is received by the minister for the economy. If no response is given, tacit approval may be considered.

The transactions considered concern the acquisition of control, the acquisition of all or part of a business line, or the crossing of the threshold of 33.33% of the capital or voting rights.

What are the main sectors involved?

Public security, public order and defense, transport, water and energy supplies, electronic communications, public healthcare

and vital activities such as those defined in the defense code. Also affected are businesses in the aerospace and civil protection sectors, or those leading research and development activities involving cybersecurity, artificial intelligence, robotics, the manufacture of additives, and semi-conductors.

What aid exists for takeovers?

The French government and local authorities have introduced a number of financial aid schemes for those who take over a business so as to provide support for company takeovers of ailing firms. This aid enables the takeover costs to be reduced and applies according to different criteria, particularly the exact location (regional aid areas) and the type of business acquired.

Some regions offer finance for takeovers of ailing SME assets if jobs are maintained.



#5 WHAT ARE THE MAIN SCHEMES?



NATIONAL MEASURES

ARI

(Aides à la réindustrialisation - ARI)

Business development loan
not available in 2019

DGE

Businesses Directorate

Repayable advance
From €500,000 to €2 million

Exemption from corporate tax

For two years

Regeneration funds

Finance for the development of businesses in the struggling employment area

Loan and guarantee

Bpifrance

Growth loan
Growth guarantee



AID FROM LOCAL AUTHORITIES

Exemption from local taxes

After deliberation by local authorities

Real estate aid

Aid for the retention of employees

Aid for employment and professional training



Schemes capped by regional aid area and company size

WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Tax exemptions for the takeover of an industrial business in difficulty

Nature: Corporate tax exemptions for two years and/or exemption from local taxes (for up to five years after deliberation by the local authorities)

Target: The company having been ordered by a tribunal as part of insolvency protection to sell some or all of its business, or is in bankruptcy protection or liquidation. An industrial activity

Exclusion: Of transport activities, making of synthetic fibers, steel industry and fishing

Eligibility: A company created before December 31, 2020 to take over an ailing business (corporate tax exemption for two years)

Ceiling: Varies according to the size of the business and where it is located (for example, it is increased for SMEs within a regional aid area). Businesses receiving this exemption may also benefit from **an exemption from the corporate property contribution (CFE), the contribution on business value-added (CVAE) and property tax on developed property (TFPB)** for a duration of between two and five years.

Examination: Corporate tax office (Service des impôts des entreprises)

Using the research tax credit – Bpifrance

Nature: A cash advance within the R&D program authorizing a research tax credit

Eligibility: A mid-size company (ETI) or large business subject to corporate tax

Amount: 80% of the amount outstanding (minimum: €30,000)

Financial conditions:

Commitment fee calculated on the amount authorized.

Interest on advances used

Administrative fee and technical expertise

Examination: Bpifrance (regional offices)

Bpifrance growth loan

Nature: Unsecured loan

Goal: To secure your immaterial investments and strengthen your working capital requirement

Eligibility: SMEs and independent mid-size companies (ETIs)

Amount: €300,000 to €5,000,000 at a fixed or variable rate limited by your business' equity capital and quasi equity capital

Duration: Seven years, including 24 months of deferred capital repayment

Access conditions: In partnership with your bank, at a rate of 1 euro of growth loan for 1 euro of support loan, or own funding

Examination: Bpifrance (regional offices)

Business development loan (Aide à la réindustrialisation – ARI)

not available in 2019

Contact: The Businesses Directorate (DGE) and the French Commission for Regional Equality (CGET)

Nature: Reimbursable interest-free advance without royalties or a guarantee

Goal: Supporting projects representing an intensive investment and with a strong impact on the employment zone affected

Eligibility: SME and mid-size companies: at least three years

Amount: Maximum of €2 million reimbursable advance

Threshold: €5 million in investment and 25 jobs created

Duration: Reimbursement after five years after a grace period of up to two years

Inquiry: By the DGE and CGET at the Interministerial Commission for Business Location Aid (CIALA): five sessions per year



#6 KEY STAKEHOLDERS

French Commission for Regional Equality (CGET)
cget.gouv.fr

Businesses Directorate (DGE)
entreprises.gouv.fr/dge

Treasury Directorate (DGT)
tresor.economie.gouv.fr

French State Investment Fund (CDC)
caissedesdepots.fr

BPI FRANCE
bpifrance.fr

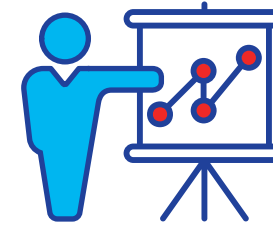
REGIONS OF FRANCE
regions-france.org

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Recruiting and training your employees

-  #1 Key figures
-  #2 Business France support
-  #3 Reform to workplace training and apprenticeships
-  #4 What are the main schemes?
-  #5 Key stakeholders



France has a wide, effective system of workplace training. Access for all employees to workplace training and apprenticeships guarantees the availability of a qualified, versatile workforce.

As a cornerstone of French government policy, reform to workplace training and apprenticeship schemes will profoundly transform the French model guided by a twofold aim: adopting effective tools to fight against unemployment; and preparing for the future by making social democracy brighter, livelier and more legitimate.

To achieve these aims, the French government and public-sector organizations have different financial support tools to encourage businesses to create jobs and train their staff.



#1 KEY FIGURES

France, a talent pool!



1 million
engineers

75,000 PHDS
(41 % of foreign-national)

278,000 students enrolled
in higher education

38,000 graduate engineers every year



#3

**in Europe for R&D
staff availability**

Number of students in PhD grade
(Eurostat, 2014)



#4

**in the world
for R&D staff**

Per 1,000 workers
After Finland, Sweden and Austria
(OCDE 2014)



#2 BUSINESS FRANCE SUPPORT

Helping you make a success of your project

YOUR ACTIONS

Presenting your project
to Business France
Expressing your needs
and expectations

Forwarding a detailed
business plan

Meeting financial backers
Contacting your skills
operator

Clarifying your project
Making a formal request

Filing your request
Exchanging with the
appraising body

Signing an aid agreement
Justifying investments and
jobs created

OUR SUPPORT

Analyzing your project
- Targeting aid
- Informing you of the terms
and conditions

Selecting tools
- Ensuring the pre-eligibility
of your project with financial
backers
- Establishing a list
of eligible expenditure

Putting you in touch with
financial backers
- Connecting you with the
right contact people

Approving the eligibility
of your project, thresholds
and eligible expenditure
to be respected

Processing your dossier

Assigning aid and paying
out funds according to the
agreed procedures

● Business France ● Business France partners



#3 REFORM TO WORKPLACE TRAINING AND APPRENTICESHIPS

France faces multiple challenges

Today, an hour's training for a cadre is generally more expensive than for an employé or ouvrier. To give fairer access, the personal training account (CPF) is drawn up in euros.

- Investing massively in training and skills, to be collectively capable of provoking change in the knowledge economy.
- Giving everyone the freedom to choose their professional future and the ability to build their own career path.
- Protecting the most vulnerable in society against the lack and the rapid obsolescence of expertise, and winning the battle against mass unemployment.

What does it involve?

By 2019-2020, all employees in France will see their personal training account (*Compte personnel de formation – CPF*) credited with €500 per year to freely choose training courses.

Within 10 years, the CPF will reach its ceiling of €5,000, to which an employer contribution may be added.

The CPF may be contributed to businesses and branches, particularly through collective agreements.

The CPF is therefore reinforced as a personal right collectively guaranteed.

For employees without qualifications, rights will be increased, and the CPF will be credited with €800 per year, up to €8,000 in all, to fund occupational retraining.

An investment plan in skills will be introduced worth a total of €15 billion.

EXAMPLE TRAINING COURSES

All the training courses can be accessed through the CPF as part of a certification.

	↓ TRAINING	↓ AMOUNT
€800	TOEIC (Test Of English for International Communication)	Around €800
	TOSA (Certificate of IT literacy)	Nearly €600
	Forklift Truck Driving Certificate CACES R389	Nearly €800
€5,000	Family Life Assistant (level V)	Nearly €5,000
	Website Developer	Nearly €5,000
	Public Works Team Leader	Nearly €5,000
€8,000	Fashion designer (level V)	Nearly €7,000
	Upholsterer (level V)	Nearly €7,500
€10,000	Fitter for heating air conditioning, plumbing and renewable energy (level V)	Nearly €10,000

Source : Ministry for Labour



#4 WHAT ARE THE MAIN SCHEMES?



NATIONAL TOOLS

Reduced employer social security contributions

Urssaf

Pôle Emploi support

Pre-recruitment training program (*Action de formation préalable au recrutement – AFPR*)

Operational readiness for employment (*Préparation opérationnelle à l'emploi individuelle – POEI*)

From €5 to €8 per hour of training, up to 400 hours per employee



LOCAL AUTHORITY AID

Training and employment aid

Local authorities can back certain national initiatives.

Skill operators

Accredited fund-collecting agencies can offer supplementary finance to that offered by Pôle Emploi, as well as launch sector programs.



WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Pre-recruitment training – AFPR et POEI

Nature: Grant up to 400 hours before taking on the post

Goal: To reduce the gap between the skills of new recruits and the demands of the jobs targeted

Target: People registered with Pôle Emploi

Eligibility: Any business size from any sector

Amount:

- For an internal training course (in the company): €5/hour up to €2,000
- For an external training course: €8/hour up to €3,200

Conditions:

- AFPR : fixed-term contract of between six and 12 months, fixed-term professionalization contract, or temporary work contract for missions of at least 6 months.
- Operational readiness for employment (*Préparation opérationnelle à l'emploi individuelle – POEI*) permanent contract or fixed-term contract of less than 12 months

Contact: Pôle Emploi

Reduction in employer social security contributions

Nature: Reduction in social security contributions

Goal: To restore growth and employment

Eligibility: Any business size from any sector

Amount: For three years:

- Zero URSSAF contributions on statutory national minimum wage (SMIC)

- Reduction in employer social security contributions on salaries lower than 1.6 times the statutory national minimum wage
- Reduction of family allowance rates up to 3.5 times the statutory national minimum wage
- Exemption from employer social security contributions for five to seven years following investment in specific areas (employment priority areas, urban enterprise areas, overseas)

Subsidized employment scheme

Nature: Bonus paid to employer

Goal: To fight unemployment in 194 priority districts (1.4 million inhabitants and 200,000 jobseekers) and against trends to discriminate when hiring

Eligibility: Any business size, any sector

Amount:

- For fixed-term contracts (six months and over): €2,500 per year for two years (amounts in accordance with working hours (part-time) and the contract duration)
- For permanent contracts: €5,000 a year for three years

Conditions:

- To be registered with Pôle Emploi, without restriction for age or level of qualification.
- To live in a priority district under the town's policies.
- To sign a contract before December 31, 2019 with a business or association.

Contact: Ministry for Regional Cohesion and Pôle Emploi



#5 KEY STAKEHOLDERS

PÔLE EMPLOI
pole-emploi.fr

REGIONS OF FRANCE
regions-france.org

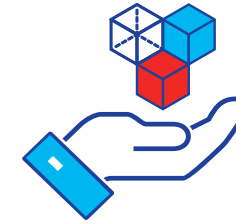
MINISTRY FOR REGIONAL COHESION
cohesion-territoires.gouv.fr

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Support for your R&D programs and innovative projects

-  **#1** Key figures
-  **#2** Business France support
-  **#3** Support for research and development and innovation
-  **#4** What are the main schemes?
-  **#5** Key stakeholders



France is Europe's most attractive country in terms of its research tax credit (CIR) and effective tax rate for R&D activities.

Thirty percent of eligible expenses are refundable up to a limit of €100 million, and 5% for amounts above this limit. (2016 research tax credit budget: €5.4 million.)

France is ranked first in Europe for its share of institutions featuring among the world's top 100 innovators with 13 Fields medalists (France is ranked second in the world).

In 2015, gross domestic expenditure on research and development (GERD) amounted to €49.8 billion.

Foreign companies have increased their R&D spending in France by 9% per year since 2007.



#1 KEY FIGURES



The United Kingdom went from having 100 R&D centers to 63

-37

R&D centers



France went from having 45 R&D centers to 51

+6

R&D centers



2,24% of GDP
spent on research and development

TOP FIVE ADVANTAGES OF FRANCE



1

Capacity for innovation and research



2

Tourism outreach



3

International accessibility and infrastructures



4

Ability to support entrepreneurship



5

Reforms to boost competitiveness



578,000
researchers and support staff



9.3
researchers out of 1,000 workers



266,700
researchers of which **26%** are female



14,500
doctorates awarded each year



4th
in the world For patenting
(6.3% of applications registered)



7th
in the world for its scientific publications



#2 BUSINESS FRANCE SUPPORT

Identify

State aid in France for innovation is available at all levels of the production chain, from the creation of an ecosystem for the development of innovative companies to the financing of projects.

Whether you need a tax credit, subsidy, loan or repayable advance, Business France and its national and regional partners will show you what support systems are in place for R&D and innovation to help you carry out your ambitious projects.

Secure

Working with the network of organizations and experts approved by the Ministry for Higher Education, Research and Innovation, Business France will help you to determine whether your R&D and innovation projects are eligible for support from state aid schemes.

Connect

Business France facilitates contact with the Ministry for Higher Education, Research and Innovation, the National Research Agency and Bpifrance. It also coordinates exchanges between the different national and local levels to support your R&D programs and your innovative projects.

HELPING YOU MAKE A SUCCESS OF YOUR PROJECT

YOUR ACTIONS

Presenting your project to Business France
Expressing your needs and expectations

Forwarding a detailed business plan

Meeting financial backers
Presenting your project

Clarifying your project
Making a formal request

Filing your request
Exchanging with the appraising body

Signing an aid agreement
Justifying investments and jobs created

OUR SUPPORT

Analyzing your project
- Targeting aid
- Informing you of the terms and conditions

Selecting tools
- Ensuring the pre-eligibility of your project with financial backers
- Establishing a list of eligible expenditure

Putting you in touch with financial backers
- Connecting you with the right contact people
- Supporting you during the presentation of your project

Approving the eligibility of your project, thresholds and eligible expenditure to be respected

Processing your dossier
Examining the business plan, the leveraging of aid, and the economic impact

Assigning aid and paying out funds according to the agreed procedures

● Business France ● Business France partners



#3 SUPPORT FOR RESEARCH AND DEVELOPMENT AND INNOVATION

Support for R&D

France has a wide range of state aid schemes for R&D and innovation to provide you with an appropriate response to each type of project (breakthrough innovation, industrial research, etc.), the degree of maturity of your project, and any financing issues. Aid for R&D projects is available throughout the country and can cover a large amount of staff costs, R&D equipment, contract research costs, technical knowledge, patents purchased and overhead costs.

The very definition of R&D is a broad one, a term that can mean supporting various projects ranging from industrial research to experimental development through to technological partnerships.

THE INNOVATION FUND

Aim: As part of the government's strong focus on innovation, in January 2018 a fund was created through the French public investment bank, Bpifrance.

Amount: €10 billion.

Mission: Invest in breakthrough innovations and foster their industrialization in France.

Main targets: Companies, who will be eligible for large amounts of aid.

Contact: Bpifrance

Support for digital technology

Bpifrance has developed a very simple tool to assess your level of "digital maturity" before launching your digital transformation project. All you need to do is click on the following link to create an account: mon.bpifrance.fr/mon-espace/#/login

DIGITAL AMBITION FUND

Aim: Fast-track startups' growth and help to create French digital champions.

Nature: Investment in equity or quasi-equity in digital companies, alongside private co-investors.

Targets: Companies with high-growth potential, developing innovative technologies or deploying new products / services or innovative business models, with the aim of becoming a leader in their market.

Investment areas: Software, the internet of things, products / hardware, AI and new digital uses.

Thresholds: Between €1 and €10 million.

As at December 31, 2017, after six years of activity, the Digital Ambition fund had invested up to €182 million in 39 startups.

Contact: Bpifrance



#4 WHAT ARE THE MAIN SCHEMES?



GENERAL MEASURES

Research tax credit

30% of R&D expenses up to €100 million and 5% above this reimbursed or paid through corporate tax

Innovation tax credit

20% of expenses up to €400,000 per year reimbursed or paid through corporate tax

Innovative new company status

Tax and social benefits for innovative startups



AID FOR PROJECTS

Grants, interest-free loans, repayable advances

Awarded by local authorities

Bpifrance aid

Finance from 25% to 60% of the R&D budget:

Interest-free loans
Grants

Calls for projects

Innovation clusters
National Research Agency
Sectoral aid
European aid
Horizon 2020



..... Schemes capped from 25 to 100% of total eligible expenses according to the technology stage (experimental development, industrial research, basic research)

WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Innovation development loan (*Aide pour le développement de l'innovation*)

Contact: Bpifrance regional authorities

Aim: Any independent or collaborative research, development and innovation (RDI) project, aimed at developing innovative products, processes or services with significant prospects for industrialization and commercialization

Target: SMEs and companies with fewer than 2,000 employees

Amount: Repayable advance or interest-free loan up to €3 million. Assistance offered by Bpifrance may vary depending on the characteristics and progress of the project, the level of risk, the company profile, or the actual incentiviveness of the aid (aid rate of between 25-65%, according to the total eligible expenditure base)

Bpifrance Industries of the Future Loan

Contact : Bpifrance regional authorities

Aim: Foster the industrialization of products, services and processes

Target: SMEs over three years old

Amount: €500,000 to €5,000,000
The loan must be associated with external financing, at the rate of one to one

Duration: Seven years, including a grace period of two years

Guarantee: No security on the assets of the company, nor on those of the company director

Tax relief for innovative new companies (*Jeune entreprise innovantes – JEIs*)

Contact: General Tax Directorate, who will issue an official declaration

Aim: Tax status enabling young SMEs to finance their R&D activity

Target: SMEs under eight years old created from scratch

Amount:

- 100% corporate tax exemptions for the first financial year and 50% thereafter within the agreed ceiling
- Exemption for eight years from certain employers' mandatory social security contributions (sickness, old age, family allowances, etc.)
- May be combined with the research tax credit

Conditions: Companies for whom R&D expenditure equates to at least 15% of total expenditure per financial year, are more than 50% owned by private individuals or by investment funds, and are a SME under eight years old created from scratch

Industrial agreements for training through research (*Convention CIFRE*)

Contact: National Association for Research and Technology (ANRT)

Nature: Grant

Aim: Hire a PhD student to be at the heart of a research partnership with a public laboratory

Target: All industry sectors, companies of all sizes

Conditions: The company recruits someone with a Master's degree on a fixed-term (CDD) or permanent (CDI) contract to carry out strategic research. The doctoral salary is eligible for the research tax credit

Amount: €14,000 every year for three years.

Procedures: Declaration to be filed at the corporate tax department

Research tax credit (*Crédit d'impôt recherche – CIR*)

Contact: Ministry for Higher Education and Research

Aim: Facilitate the financing of R&D operations carried out in France

Target: All industry sectors, companies of all sizes

Amount: Tax credit of 30% of annual research expenses (50% in the overseas regions of Guadeloupe, French Guiana, Martinique, Reunion and Mayotte) up to a maximum limit of €100 million, and 5% beyond this limit

Procedure: Declaration to be filed at the corporate tax department

Providers: List of approved providers available from the Ministry of Higher Education and Research

[Simulator](#)

Innovation tax credit (*Crédit d'impôt innovation – CII*)

Contact: Ministry for Higher Education and Research

Aim: Facilitate the financing of R&D operations for SMEs

Target: All industry sectors

Eligibility: Only SMEs

Amount: 20% of the expenses required for designing and creating prototypes or pilot plants for new products

Ceiling: The base is capped at €400,000 per year and per company

Procedures: Declaration to be filed at the corporate tax department. SMEs may, under certain conditions, benefit from an early repayment of the innovation tax credit

[Simulator](#)

#5 KEY STAKEHOLDERS

BPI FRANCE
bpifrance.fr

GENERAL SECRETARIAT FOR INVESTMENT
gouvernement.fr/le-secretariat-general-pour-l-investissement

FRENCH NATIONAL RESEARCH AGENCY
agence-nationale-recherche.fr

FRENCH MINISTRY FOR HIGHER EDUCATION, RESEARCH AND INNOVATION
enseignementsup-recherche.gouv.fr

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Encouraging investments to protect the environment



#1 Key figures



#2 Business France support



#3 What are the main schemes?



#4 Key stakeholders



France reaffirmed its steadfast commitment to the environment at the Paris Agreement on Climate Change at the end of the COP 21 conference and by its Make Our Planet Great Again (MOPGA) initiative.

These commitments include a series of innovative, ambitious measures to bring together all stakeholders in this planetary struggle.

In order to meet the energy and ecological transition targets set out, France has rearranged financial support to its businesses, local authorities and research bodies.

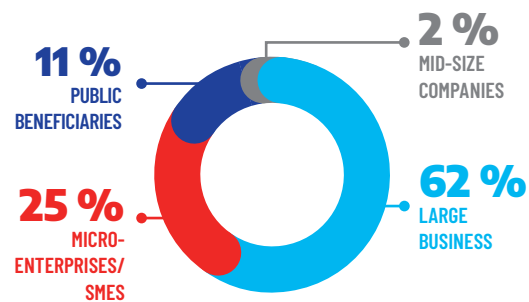
Generally, investments should allow to go further than regulatory obligations. Admissible costs cover the supplementary investment costs involved in protecting the environment.



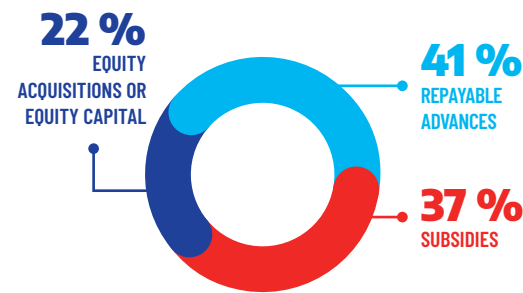
#1 KEY FIGURES

€2.5 billion of aid; 745 projects

BENEFICIARIES



TYPES OF INTERVENTION



SECTORS



44%
TRANSPORT
AND VEHICLES
OF THE FUTURE
311
winning projects
€902 million
in aid



36%
RENEWABLE ENERGY,
ENERGY STORAGE
AND ELECTRICAL
NETWORKS
187
winning projects
€1,106 million
in aid



11%
BUILDING,
INDUSTRY AND
AGRICULTURE,
BIO-BASED
CHEMISTRY
112
winning projects
€288 million
in aid



9%
CIRCULAR
ECONOMY
AND WASTE,
WATER AND
BIODIVERSITY
135
winning projects
€214 million
in aid

Source : ADEME, 2018

MAKE OUR PLANET GREAT AGAIN INITIATIVE WHAT DOES IT INVOLVE?



With its openness to the world and its policy of attracting talent in any form, France is determined to attract investors and to support their expansion across the nation. France is at the forefront of innovation and development of the industries of the future, such as clean technology and green finance, which will be the engine of tomorrow's growth.

Together making France a leader in the green economy

Investment needs in the sectors of energy transition are among the largest in Europe, due to the ambitious objectives pursued by public policies to reduce fossil energy consumption, increase the production of renewable energies, and reduce greenhouse gases.

All sectors are called upon to take part in this green revolution. The mobility of people and towns and cities will change to make France an example for the world.

These ambitions open the possibility to companies the world over to access a market of the future!



#2 BUSINESS FRANCE SUPPORT

Helping you make a success of your project

↓ YOUR ACTIONS

Presenting your project to Business France
Expressing your needs and expectations

Forwarding a detailed business plan

Meeting financial backers
Presenting your project

Clarifying your project
Making a formal request

Filing your request
Exchanging with the appraising body

Signing an aid agreement
Justifying investments and jobs created

↓ OUR SUPPORT

Analyzing your project
- Targeting aid
- Informing you of the terms and conditions

Selecting tools
- Ensuring the pre-eligibility of your project with financial backers
- Establishing a list of eligible expenditure

Putting you in touch with financial backers
- Connecting you with the right contact people
- Supporting you during the presentation of your project

Approving the eligibility of your project, thresholds and eligible expenditure to be respected

Processing your dossier
Examining the business plan, the leveraging of aid, and the economic impact

Assigning aid and paying out funds according to the agreed procedures



● Business France and its regional partners

● Public financial backers



#3 WHAT ARE THE MAIN SCHEMES?

SUPPORT FROM THE FRENCH ENVIRONMENT AND ENERGY MANAGEMENT AGENCY (ADEME)

Heat fund

Support for the development of renewable heat

Decision-making support

Support for design work undertaken by consultants on ADEME topics

Waste fund

Support for the development of the circular economy

Research, development and innovation

Subsidies or repayable advances for research, development and innovation projects through calls for projects

SUPPLEMENTARY SUPPORT

Regional aid

Aid from local authorities intervening in addition to the ADEME

Bpifrance

Financial intervention or investment notably through the eco-energy loan

Water agencies

Subsidies or loans to achieve a balanced management of water resources



WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Heat fund - Support to develop renewable heat

Nature: Investment subsidy for projects to:

- Produce renewable heat (biomass, solar thermal, geothermal, etc.)
- Heating networks

Target: Businesses or local authorities responding mainly to:

- A BCIAT call for projects (Heat Biomass – Industry, Commerce & Agriculture) aimed at businesses for the largest biomass projects (output of more than 1,000 toe/year).
- Regional calls for projects managed by regional ADEME offices in conjunction with the French regional governments.

Indicative support rate: 20-40%, mostly defined by fixed rates and enabling competitive solutions

Contact: ADEME

Waste fund - Support to develop the Circular Economy

Aim: A subsidy for projects involving waste prevention, collection and recycling, and organic, material and energy recovery

Rate: Up to 30%

Calculation base: Up to €10 million

Contact: ADEME

Decision-making support

Nature: Subsidies for design work undertaken by external engineering and consultancy firms in all areas covered by ADEME: energy efficiency, renewable energies, the circular economy, waste, transport, air quality plans etc.

Target: Businesses and local authorities

Support: 50-70% depending on beneficiaries: large companies, medium-sized companies, small companies and non-economic activities

Maximum eligible expenditure:

- €50,000 for diagnosis
- €100,000 for project support studies

Access conditions: Exclusions exist (notably for companies with more than 250 employees) as well as eco-conditionality criteria on the qualification of design and research offices

Contact: ADEME

Research, development and innovation

Nature: Support through subsidies or repayable advances to research, development and innovation programs, principally selected by calls for projects

Target: Businesses, research organizations, associations or local authorities

Maximum rate of aid: Depends on beneficiaries

- 70% for research on new knowledge
- 50-70% for industrial research
- 25-50% for experimental development
- 50% for innovation for SMEs

The aid rates are fixed at each call for tenders.

Contact: ADEME

Eco-energy loan

Nature: Financing your equipment eligible for energy savings certificates

Target: Micro-enterprise / SME

Ceiling: Between €10,000 and €100,000
Preferential rate

Duration: Five years, including one year deferred as capital. No guarantee, personal or otherwise.
Equity loan

Contact: Bpifrance

#4 KEY STAKEHOLDERS

THE FRENCH ENVIRONMENT AND ENERGY MANAGEMENT AGENCY (ADEME)
ademe.fr

THE WATER AGENCIES
lesagencesdeleau.fr

BPIFRANCE
bpifrance.fr






MAKE OUR PLANET GREAT AGAIN
makeourplanetgreatagain.fr

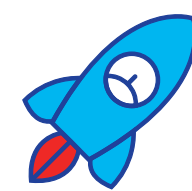
MINISTRY FOR THE ECOLOGICAL AND INCLUSIVE TRANSITION
ecologique-solidaire.gouv.fr

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How to develop your startup project

-  #1 Key figures
-  #2 Business France support
-  #3 Find the funding that matches your needs
-  #4 What are the main schemes?
-  #5 Key stakeholders



Entrepreneur is the new France !

In 2018, France was once again very well represented at the Consumer Electronics Show (CES) in Las Vegas, finishing second after the United States, and well ahead of the Netherlands and China. It is safe to say that France is doing well, with 31 products from French startups recognized at this year's CES Innovation Awards.

What's the secret behind this success?

“La French Tech” comprises both the French authorities and other institutions, all of which are supporting a favorable environment for innovation which is unique in Europe.

LA FRENCH TECH

WHAT'S IT ALL ABOUT?



“La French Tech” is a support network for startups that are created or developed in France.

It is a collective brand launched by the French government in 2014. “La French Tech” aims to help create tech champions, promote French expertise on the international stage and attract foreign investors. To increase the initiative’s effectiveness, the government has launched a call for projects for the accreditation of regions. Once accredited, these regions will commit to doing their best to support the ecosystem and to put in place the necessary systems to ensure startups move beyond being mere ideas and become tech champions.



#1 KEY FIGURES

The other Startup nation



La French Tech

the open brand of the French startup scene

9,400 startups

US\$3 billion
raised in 2017

743 deals
300 incubators
50 accelerators



Station F

The world’s largest startup incubator is in Paris

1,000 startups
3,000 work stations



Deals

growing sharply

OVH
raised
€250 million
in 2016

SIGFOX
raised
€150 million
in 2016

OODRIVE
raised
€65 million
in 2017

Source : Bpifrance



#2 BUSINESS FRANCE SUPPORT

Identify

France offers a range of state aid schemes, as well as calls for projects and events to support the growth strategy of both startups and entrepreneurs.

Business France helps you to identify exactly what you need for each stage of your startup project development.

Secure

Business France offers a dedicated support service for foreign entrepreneurs who have chosen France as the place to create and develop their startups.

Through a personalized support program, Business France provides you with information on and lets you discover more about a dynamic and constantly growing ecosystem.

Business France informs, guides and supports foreign talent and their families with their international professional mobility.

welcometofrance.com

Connect

Whether it be incubators, accelerators, innovation clusters, financiers, Bpifrance, venture capitalists, tech events, we can connect you with our partners who contribute to the success of “La French Tech” on a daily basis.

HELPING YOU DEVELOP YOUR STARTUP

YOUR ACTIONS

Presenting your project to Business France

Forwarding a business plan

Meeting financial backers and the ecosystem

Clarifying your project

Filing your support request

Starting up your French site

OUR SUPPORT

Analyzing your project
- Targeting aid
- Informing you about the ecosystem

Selecting tools

Putting you in touch with financial backers and venture capitalists and connecting you with the right contact people

Approving the eligibility of your project with the schemes identified

Processing your dossier and assigning aid

Facilitating your installation

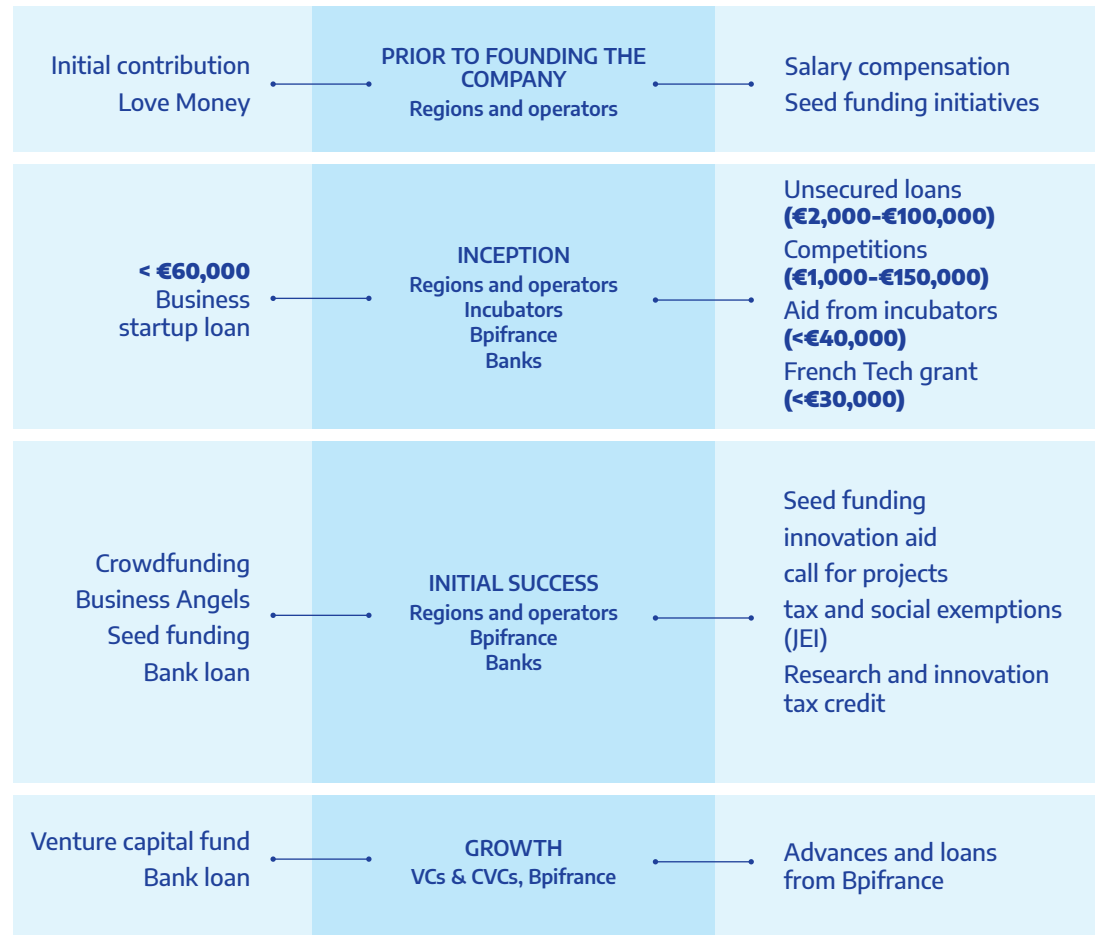
● Business France ● Business France partners



#3 FIND THE FUNDING THAT MATCHES YOUR NEEDS

↓ PRIVATE

PUBLIC ↓



Top 10 French VC funds (€ million)



Source : PitchBook, July 2018



EUROPE

€7.7 billion
capital raised

€6.4 billion
invested

3700
Deals



FRANCE

1st in Europe
with €2.6 billion
of capital raised
ahead of the United Kingdom
and Germany

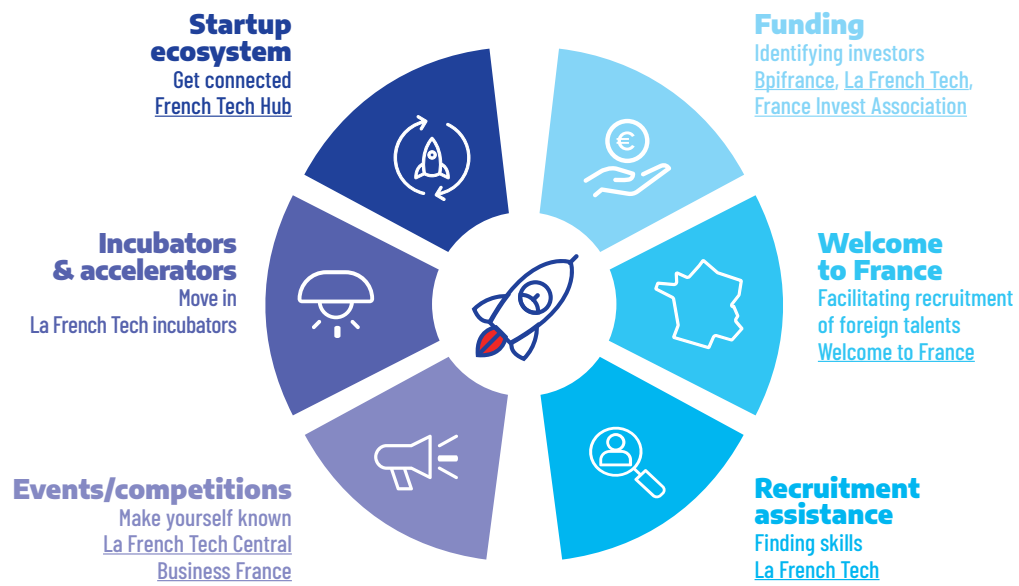
€1.2 billion
invested

€4.3 billion
average deal size

Sources : France Invest/ Invest Europe 2017



#4 WHAT ARE THE MAIN SCHEMES?



French Tech metropolis lafrenchtech.com



WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Innovation development loan (*Aide pour le développement de l'innovation*)

Aim: Any independent or collaborative research, development and innovation (RDI) project, aimed at developing innovative products, processes or services with significant prospects for industrialization and commercialization

Target: SMEs and companies with fewer than 2,000 employees

Amount: Repayable advance or interest-free loan up to €3 million. Assistance offered by Bpifrance may vary depending on the characteristics and progress of the project, the level of risk, the company profile, or the actual incentiviveness of the aid (aid rate of between 25-65%, according to the total eligible expenditure base)

Contact: Bpifrance

Tax relief for young innovative companies (*JEI*)

Aim: Tax status enabling young SMEs to finance their R&D activity

Target: SMEs under eight years old created from scratch

Amount: 100% corporate tax exemptions for the first financial year and 50% thereafter within the agreed ceiling.

Exemption for eight years from certain employers' mandatory social security contributions (sickness, old age, family allowances, etc.).
May be combined with the research tax credit

Eligibility: Companies for whom R&D expenditure equates to at least 15% of total expenditure per financial year, are more than 50% owned by private individuals or by investment funds, and are a SME under eight years old created from scratch

Contact: Local tax authorities

Early-stage development loan (*Prêt amorçage invest*)

Nature: To help bolster a company that has just successfully raised funds and support its development and growth by providing additional financing in the form of a development loan.

Eligible companies: Young companies under eight years old having successfully raised a minimum of €200,000 in seed money

Minimum amount: €100,000

Maximum amount: €500,000 per intervention

Duration: Eight years with a grace period of 36 months. Loan supported by InnovFin SME guarantee, with financial support from the EU as part of the Horizon 2020 program and the European Fund for Strategic Investments (EFSI)

No guarantee on the company's assets or on those belonging to the head of the company

Contact: Bpifrance

French Tech grant (*Bourse French Tech*)

Nature: Support projects requiring a phase of maturation and techno-economic validation. The grant can help with the following: business models, technological feasibility, changes in usage, ergonomic user interfaces, service design, tests, marketing, technical support, legal matters, corporate internal reorganization and partnerships.

Eligible companies: Young companies with real growth potential created less than a year ago and registered in France

Amount: A grant that can cover up to 70% of the estimated eligible expenditure up to a limit of €30,000. The French Tech grant is financed by both Bpifrance and the National Institute of Industrial Property (INPI) for brand new projects

Contact: Bpifrance

Innovation Fund (*Fonds pour l'innovation*)

Amount: €10 billion

Nature: Finance breakthrough innovations

Eligibility: The fund aims to support and finance startups and projects specializing in breakthrough technologies, and help public laboratories, SMEs and large corporates focus on major challenges

Targeted sectors: Artificial intelligence, nanoelectronics, biomanufacturing, new generation batteries and autonomous vehicles

Contact: Bpifrance

French Tech Seed Fund (*Fonds French Tech Seed*)

Amount: €400 million grant from the National Investment program

Nature: To provide France with the tools to support pre-seed funding on a large scale

Eligibility: The fund supports fundraising for technology startups from laboratories, incubators and technology transfer accelerator companies (SATT)

Ticket: Investments are generally less than €500,000 because the fund is intended for pre-seed development

Contact: Bpifrance

#5 KEY STAKEHOLDERS

LA FRENCH TECH
lafrenchtech.com

BPI FRANCE
bpifrance.fr

FRANCE INVEST France Invest represents and gathers all private equity companies established in France.
franceinvest.eu

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Business France is the national agency supporting the international development of the French economy, responsible for fostering export growth by French businesses, as well as promoting and facilitating international investment in France. It promotes France's companies, business image and nationwide attractiveness as an investment location, and also runs the VIE international internship program. Business France has 1,500 personnel, both in France and in 64 countries throughout the world, who work with a network of public- and private-sector partners.

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